

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01580A  
Tonto Village Water Company  
P. O. Box 9116  
Mesa, AZ 85214

**ANNUAL REPORT**

**RECEIVED**

APR 11 2006

**Z Corporation Commissic  
Director of Utilities**

**FOR YEAR ENDING**

12	31	2005
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entered  
4-12-06  
RF

FOR COMMISSION USE

ANN04	05
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Tonto Village Water Co., Inc.</u>		
<b>Mailing Address</b> <u>P.O. Box 9116</u>		
<u>Mesa</u>	<u>AZ</u>	<u>85214</u>
(City)	(State)	(Zip)
<u>928-478-4176</u>	<u>928-978-4318</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>tvwc@tvwc.biz</u>		
<b>Local Office Mailing Address</b> <u>P.O. Box 9116</u>		
<u>Mesa</u>	<u>AZ</u>	<u>85214</u>
(City)	(State)	(Zip)
<u>928-478-4176</u>	<u>928-978-4318</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>tvwc@tvwc.biz</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Ronald D. Standage</u>		<u>President</u>	
	(Name)		(Title)
<u>2058 E. Winchester Way</u>	<u>Chandler</u>	<u>AZ</u>	<u>85249</u>
(Street)	(City)	(State)	(Zip)
<u>480-792-9187</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>tvwc@tvwc.biz</u>			
<b>On Site Manager:</b> <u>Bill Snyder</u>			
	(Name)		
<u>H.C.-7, Box 180-F</u>	<u>Payson</u>	<u>AZ</u>	<u>85541</u>
(Street)	(City)	(State)	(Zip)
<u>928-478-4575</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Ronald D. Standage

(Name)

2058 E. Winchester Way

Chandler

AZ

85249

(Street)

(City)

(State)

(Zip)

480-792-9187

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Gove L. Allen

(Name)

935 E. Main St., #101

Mesa

AZ

85203

(Street)

(City)

(State)

(Zip)

480-964-0141

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME** TONTO VILLAGE WATER CO., INC.

**UTILITY PLANT IN SERVICE**

<b>Acct No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	3,465.72	0.00	3,465.72
304	Structures and Improvements			-
307	Wells and Springs	11,120.87	8,926.54	2,194.33
311	Pumping Equipment	4,776.27	2,327.19	2,449.08
320	Water Treatment Equipment	2,779.94	2,254.47	525.47
330	Distribution Reservoirs and Standpipes	26,430.69	22,791.48	3,639.21
331	Transmission and distribution Mains	46,101.34	38,555.04	7,546.30
333	Services			-
334	Meters and Meter Installations	6,193.38	2,894.99	3,298.39
335	Hydrants			-
336	Backflow Prevention Devices			-
339	Other Plant and Misc Equipment	3,064.47	2,670.94	393.53
340	Office Furniture and Equipment	2,079.63	2,079.63	-
341	Transportation Equipment			-
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	<b>TOTALS</b>	<b>106,012.31</b>	<b>82,500.28</b>	<b>23,512.03</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Accumulated Percentage (2)</b>	<b>Depreciation Expense (1X2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	3,465.72		
304	Structures and Improvements			
307	Wells and Springs	11,120.87	-	0.00
311	Pumping Equipment	4,776.27	0.0498297	238.00
320	Water Treatment Equipment	2,779.94	0.0456844	127.00
330	Distribution Reservoirs and Standpipes	26,430.69	0.0049942	132.00
331	Transmission and distribution Mains	46,101.34	0.0005423	25.00
333	Services			
334	Meters and Meter Installations	6,193.38	0.0466627	289.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc Equipment	3,064.47	0.0336110	103.00
340	Office Furniture and Equipment	2,079.63	-	-
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>106,012.31</b>		<b>914.00</b>

This amount goes on Comparative Statement of Income and Expense

Acct. No. 403.

**COMPANY NAME** TONTO VILLAGE WATER CO., INC.

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 370.98	\$ (4,291.33)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 370.98	\$ (4,291.33)
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ -	\$ -
103	Property Held for Future Use	106,012.31	106,012.31
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(81,586.28)	(82,500.28)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 24,426.03	\$ 23,512.03
	<b>TOTAL ASSETS</b>	\$ 24,797.01	\$ 19,220.70

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,595.10	2,874.96
236	Accrued Taxes	45.00	45.00
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,000.00	3,724.34
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 3,640.10	\$ 6,644.30
	<b>LONG -TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ -	\$ -
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	4,187.50	2,105.25
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 4,187.50	\$ 2,105.25
	<b>TOTAL LIABILITIES</b>	\$ 7,827.60	\$ 8,749.55
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 54,922.80	54,922.80
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(37,953.39)	(44,451.65)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 16,969.41	\$ 10,471.15
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 24,797.01	\$ 19,220.70

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 17,957.84	\$ 26,546.33
460	Unmetered Water Revenue		
474	Other Water Revenues	440.00	601.11
	<b>TOTAL REVENUES</b>	<b>\$ 18,397.84</b>	<b>\$ 27,147.44</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 7,200.00	\$ 7,200.00
610	Purchased Water		
615	Purchased Power	3,826.71	4,329.86
618	Chemicals		4,139.55
620	Repairs and Maintenance	3,049.79	4,286.86
621	Office Supplies and Expense	1,454.60	2,520.64
630	Outside Services	2,736.60	5,945.38
635	Water Testing	1,354.51	415.00
641	Rents		
650	Transportation Expenses	1,321.60	550.00
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	1,737.97	1,186.23
403	Depreciation Expense	1,288.63	914.00
408	Taxes Other Than Income	690.80	674.53
408.11	Property Taxes	1,304.86	1,388.65
409	Income Tax	45.00	45.00
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 26,011.07</b>	<b>\$ 33,645.70</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (7,613.23)</b>	<b>\$ (6,498.26)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(1,190.00)	
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ (1,190.00)</b>	<b>\$ -</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (8,803.23)</b>	<b>\$ (6,498.26)</b>



**COMPANY NAME** Tonto Village Water Co., Inc.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 2,170.25

Meter Deposits Refunded During the Test Year

\$ 406.25

**COMPANY NAME** Tonto Village Water Co., Inc.

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-627909	1 1/4	14	223' 6"	8"	1"	1957
55-627911	2	20	80'	6"	1"	1968
55-627912	1 1/4	17	340'	5"	1"	1987

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
NONE		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
5	4	0	0
2	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
34,000	1	2,000	1
10,000	2	1,000	2

**COMPANY NAME** Tonto Village Water Co., Inc.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

<b>MAINS</b>		
<b>Size (in inches)</b>	<b>Material</b>	<b>Length (in feet)</b>
2	ABS & PVC	5,550
3	ABS & PVC	2,270
4	ABS	1,710
5		
6	PVC	5,395
8		
10		
12		

<b>CUSTOMER METERS</b>	
<b>Size (in inches)</b>	<b>Quantity</b>
5/8 X 3/4	194
3/4	
1	
1 1/2	
2	1
<b>Comp. 3</b>	
<b>Turbo 3</b>	
<b>Comp. 4</b>	
<b>Tubo 4</b>	
<b>Comp. 6</b>	
<b>Tubo 6</b>	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

3 - Chlorinators

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**STRUCTURES:**

3 - Pump Houses

Fencing around all wells

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**OTHER:**

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COMPANY NAME: Tonto Village Water Co., Inc.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	185	619,190	527.44
FEBRUARY	185	6,990	488.56
MARCH	186	904,030	617.5
APRIL	186	544,960	817.5
MAY	185	703,300	1,029.47
JUNE	185	1,155,920	1,232.1
JULY	188	949,140	1,069.52
AUGUST	187	723,070	1,117.43
SEPTEMBER	187	805,710	1,135.41
OCTOBER	185	620,010	859.34
NOVEMBER	185	497,560	390.56
DECEMBER	187	445,720	357.25
TOTAL		7,975,600	9,642.08

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. < 0.003 mg/l for each well  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Tonto Village Water Co. Inc. YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 1,388.65

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 11 2006

VERIFICATION

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Z Corporation Comm Director of Utilities</b>
COMPANY NAME <b>Tonto Village Water Co., Inc.</b>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Ronald D. Standage*  
SIGNATURE OF OWNER OR OFFICIAL  
480-792-9187  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

6TH

DAY OF

(SEAL)

MY COMMISSION EXPIRES 3-30-07

COUNTY NAME	<b>MARICOPA</b>
MONTH	<b>APRIL</b>
	<b>2006</b>



**YEAR ENDING 12/31/2005**

For this reporting period, provide the following:

State Taxable Income Reported	(6,498.26)
Estimated or Actual State Tax Liability	45.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
 Amount of Gross-Up Tax Collected \_\_\_\_\_  
 Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

## CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Ronald P. Standage 4-6-06  
SIGNATURE DATE

RONALD D. STANDAGE PRESIDENT  
PRINTED NAME TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 11 2006

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME <b>Tonto Village Water Co., Inc.</b>

**Z Corporation Commission  
Director of Utilities**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 27,147.44

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1,608.92

IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 6TH DAY OF

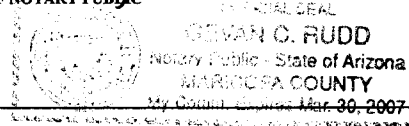
(SEAL)

MY COMMISSION EXPIRES 3-30-07

Ronald D. Standage  
SIGNATURE OF OWNER OR OFFICIAL  
480-792-9187  
TELEPHONE NUMBER

COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>APRIL</u>
	<u>2006</u>

Kevin C. Rudd  
SIGNATURE OF NOTARY PUBLIC





VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 11 2006

**Z Corporation Commission  
Director of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

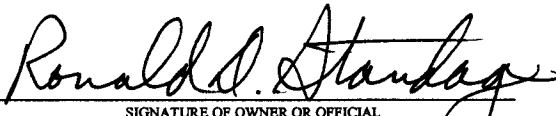
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>    --    </u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$     --      
IN SALES TAXES BILLED, OR COLLECTED)

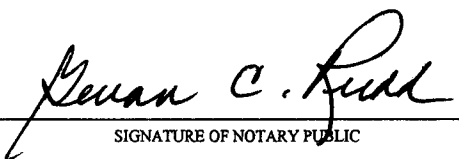
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
480-792-9187  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 6TH DAY OF

NOTARY PUBLIC NAME <b>GEVAN C. RUDD</b>	
COUNTY NAME <b>MARICOPA</b>	
MONTH <b>APRIL</b>	20 <b>06</b>



X   
SIGNATURE OF NOTARY PUBLIC

42 36027

1072

TONTO VILLAGE WATER CO INC. 03-05

P.O. BOX 9116  
MESA, AZ 85214

DATE 28 Oct 2005 91-2242  
1221

*Hila County Treasurer*

PAY TO THE ORDER OF

*Seven hundred seven and 62/100*

\$ 707 62

DOLLARS

**BANK ONE.**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

*Ronald D. Standage*

FOR

⑆001072⑆ ⑆22100024⑆

661961540⑈

⑆0000070762⑆



10:42 AM  
03/28/06  
Cash Basis

**Tonto Village Water Co., Inc.**  
**Balance Sheet**  
**As of December 31, 2005**

	<u>Dec 31, 05</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
New Checking	-4,291.33
Total Checking/Savings	-4,291.33
Total Current Assets	-4,291.33
<b>Fixed Assets</b>	
Utility Plant in Service	
Distribution Reservoirs	26,430.69
Electric Pump & Equip	4,776.27
Land and Land Rights	3,465.72
Meters	6,193.38
Office Furniture & Fixtures	2,079.63
Other Plant Structures	3,064.47
Trans & Dist Mains	46,101.34
Water Treatment Equip	2,779.94
Wells and Springs	11,120.87
Total Utility Plant in Service	106,012.31
Accumulated Depreciation	
Dist Reservoir	-22,791.48
Electric Pump	-2,327.19
Meters	-2,894.99
Office Furniture	-2,079.63
Other Plant	-2,670.94
Trans & Dist Mains	-38,555.04
Water Treatment	-2,254.47
Wells & Springs	-8,926.54
Total Accumulated Depreciation	-82,500.28
Total Fixed Assets	23,512.03
<b>TOTAL ASSETS</b>	<u><b>19,220.70</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
Loan From Shareholder	3,724.34
Accrued Taxes	45.00
Customer Security Deposits	2,874.96
Deferred Credits	
Advances in Aid of Construction	2,105.25
Total Deferred Credits	2,105.25
Total Other Current Liabilities	8,749.55
Total Current Liabilities	8,749.55
<b>Equity</b>	
Common Stock	54,922.80
Retained Earnings	-37,953.39
Net Income	-6,498.26
Total Equity	10,471.15
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>19,220.70</b></u>

10:42 AM  
03/28/06  
Cash Basis

**Tonto Village Water Co., Inc.**  
**Profit & Loss**  
**January through December 2005**

	Jan - Dec 05
Ordinary Income/Expense	
Income	
Metered Water Sales	26,546.33
Total Income	26,546.33
Expense	
Accounting	550.00
Bank Service Charges	166.73
Depreciation Expense	914.00
Dues and Subscriptions	424.50
Equipment Rental	207.51
Licenses and Permits	45.00
Office Supplies	946.34
Outside Services	5,945.38
Payroll Expenses	
Gross Wages	7,200.00
Taxes	662.40
Total Payroll Expenses	7,862.40
Purchased Pumping Power	4,329.86
Postage and Delivery	656.25
Printing and Reproduction	162.88
Repairs and Maintenance	4,079.35
Supplies	4,189.55
Taxes	
State Income	45.00
Property	1,400.78
Sales	0.00
Total Taxes	1,445.78
Telephone	755.17
Transportation Expense	550.00
Water Testing	415.00
Total Expense	33,645.70
Net Ordinary Income	-7,099.37
Other Income/Expense	
Other Income	
Miscellaneous Fees	601.11
Total Other Income	601.11
Net Other Income	601.11
Net Income	-6,498.26